

EXHIBIT 12



LUMA Quarterly Federal Funding Report

For the period ending June 30, 2022

September 7, 2022

LUMA Quarterly Federal Funding Report

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1.0 Federal Funding Activity

1.1 Summary of Activity

As noted above and in previous reports, many of the Improvement Programs have begun federal funding activities. As part of these efforts, LUMA concluded the fourth quarter of fiscal year 2022 having continued to advance the federal funding work with focus on (i) Federal Emergency Management Agency (FEMA) processes and acceptance; (ii) preliminary engineering efforts; (iii) execution of FEMA Obligated projects; and (iv) preparatory activities for future work – both from an engineering perspective and construction preparedness perspective.

As reported in the previous reports, LUMA has established strong working relationships with Central Office for Recovery, Reconstruction and Resilience (COR3) and FEMA including the FEMA Environmental and Historic Preservation (EHP), 406 Hazard Mitigation (406HM) and 404 Hazard Mitigation (404HM) teams. This collaborative working relationship continued throughout the reporting period and focused on further establishing the necessary basis of understanding to satisfy FEMA procedural requirements. A few examples of such procedural related activities undertaken during the fourth quarter include:

- Continued alignment of strategies for additional hazard mitigation under FEMA's 406HM for distribution, transmission, substation, and streetlights projects. These strategies are meant to establish a common understanding between the parties and streamline the determination of 406HM eligible work.
- LUMA continued to develop plans in coordination with COR3 for various projects eligible for 404HM.
- LUMA continues to develop requirements in coordination with COR3 for Request for Reimbursement (RFR).
- Continue to complete Endangered and Threatened Species Biological Studies and Wetland Hydrological Studies to support construction planning, permitting, and the development of appropriate environmental mitigations.

The activities noted above are foundational in nature and are fundamental to the critical infrastructure work to be conducted in the months and years to come. These have and will require time to finalize and will require on-going collaboration between COR3, FEMA and LUMA as we collectively navigate the complexities of the T&D work being undertaken. As was referenced in previous quarter reports, the activities captured here, as well as preliminary engineering work, were expected to have been advanced prior to LUMA's June 2021 commencement date. The inaction during the first half of 2021 created a significant impact on the anticipated FY2022 results which were developed in the fall of 2020. As a result, LUMA FY2022 federally funded expenditures are substantially lower than the original budget.

LUMA's current plan remains as expressed in the June FEMA 90-day plan update presentations and commenced federally approved construction activities in Q4 of FY2022 including streetlight repairs and critical distribution pole repair. This construction is the beginning of more significant construction being undertaken over time.

To achieve the above noted results, LUMA completed the following activities during the fourth quarter (in addition to advancing the procedural matters noted above):

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- Continued to advanced project work towards finalizing detailed SOWs for submission to COR3 and FEMA. This effort involved working with architecture and engineering (A&E) firms and resolving numerous issues in the absence of technical drawings and reliable data from PREPA and resulted in field assessment being undertaken to support the development of said detailed SOWs. This effort also included 406HM and EHP development work.
- In April and May 2022, LUMA received Project Obligations from FEMA for five streetlight projects (municipalities of Aguada, Maunabo, Guanica, Lajas, Luquillo) that were submitted to FEMA and COR3 (including 406HM & EHP requirements) in March 2022 and included subsequent ongoing discussions with between LUMA and COR3/FEMA to work through key project details for 406 hazard mitigation eligibility and EHP requirements prior to Project Obligation.
- In May and June 2022, LUMA received Project Obligations from FEMA for five Distribution Pole Replacement projects (Ponce Group 1, Ponce Group 2, Caguas Group 4, Caguas Group 8, Arecibo Group 2) that were submitted to FEMA and COR3 (including 406HM & EHP requirements) in January and February 2022 and included subsequent ongoing discussions with COR3/FEMA to work through key project details for 406 hazard mitigation eligibility and EHP requirements prior to Project Obligation.
- In October 2021, LUMA submitted the detailed SOW for the Cataño Modernization and Hardening project to COR3 and FEMA and after working through key project details for 406 hazard mitigation eligibility and EHP requirements with COR3/FEMA, received FEMA Obligation in May 2022.
- In March 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for one Transmission Pole Replacement Project (Mora 50500) to COR3 and FEMA. This submission remains under review by FEMA in collaboration with the LUMA team.
- In May and June 2022, LUMA submitted the detailed SOW's (including 406HM & EHP requirements) for an additional seven substation projects (Rio Grande CH 2306, Llorens Torres 1106, Centro Medico 1327 & 1359, Tapia 1102, Costa Sur TC, Taft 1105, and Manati TC) to COR3 and FEMA. By the end of Q4, LUMA had received FEMA Project Obligation for the Manati TC substation project while the other six remained under FEMA review.
- In May 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for one transmission project (T/Line 38000 – San Juan – Isla Grande Underground loop). By the end of Q4, this submission remained under review by FEMA in collaboration with the LUMA team.
- In May and June 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for an additional three Transmission Pole Replacement projects (T/Line 2200, T/Line 6700, T/Line 13300) to COR3 and FEMA. By the end of Q4, these submissions remained under review by FEMA in collaboration with the LUMA team.
- In April and June 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for Physical Security projects (Group 1, Group 3) to COR3 and FEMA. By the end of Q4, these submissions remained under review by FEMA in collaboration with the LUMA team.
- In April and June 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for Substation Minor Repairs projects (Group A, Group C) to COR3 and FEMA. By the end of Q4, these submissions remained under review by FEMA in collaboration with the LUMA team.
- In June 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for an additional nine Distribution Pole Replacement projects (Carolina Group 2, Carolina Group 3,

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Caguas Group 5, Caguas Group 7, Bayamon Group 2, San Juan Group 1, San Juan Group 2, Mayaguez Group 1, Mayaguez Group 4) to COR3 and FEMA. By the end of Q4, these submissions remained under review by FEMA in collaboration with the LUMA team.

- In June 2022, LUMA received Project Obligations from FEMA for two substation projects (Vieques and Culebra) that were previously submitted to FEMA and COR3 (including 406HM & EHP requirements) in March 2022.
- In June 2022, LUMA submitted the detailed SOW (including 406HM & EHP requirements) for an IT OT project (Energy Management System) to COR3 and FEMA. By the end of Q4, this submission remained under review by FEMA in collaboration with the LUMA team.
- In June 2022, LUMA received FEMA Project Obligation of \$656 million for long lead material procurements. This will allow LUMA to progress procurement of materials with long lead times in advance of specific Project Obligations allowing LUMA to shorten overall project timelines.
- LUMA completed a formal RFP process for environmental and archaeological specialists to support with detailed EHP studies and prepare the appropriate project mitigations to comply with federal and local environmental policies and regulations. LUMA is currently working to award the contract to the selected vendor.
- LUMA continued to finalize contracts for additional A&E resources to support the federally funded projects and leverage the successful engineering firm(s) to assign projects with FEMA project numbers to begin A&E preliminary engineering design work towards the development of Detailed SOWs. LUMA executed two A&E contracts before the end of Fiscal Year 2022 and continues to progress additional contracts which are in various stages from agreeing to terms and conditions to FOMB approval.
- Undertook individual meetings with each municipality to provide insight into the progress of the federal funding work to date. During the reporting period, LUMA visited the final municipality in order to conclude all of the 78 meetings.
- Engaged with our grid recovery partners on additional Federal Funding opportunities to include Department of Energy electrical system improvement Grants, HUD and PRDOH CDBG-DR Programs for Hazard mitigation, Grid Resilience and Cost Share as well as FEMA 406 Hazard Mitigation proposals in all major asset categories and projects.
- Continue to work on additional proposals utilizing the FEMA/SHPO 404 Hazard Mitigation program with four key back-up projects proposed and developed, representing \$900 million, should additional 404 HMGP funds become available. These projects were included in the PRDOH's draft Disaster Recovery Action Plan for public consultations. Of the four projects, three were included in PRDOH's submission to HUD in January 2022 and LUMA awaits the final recommendation before developing a SOW for PREB's review and approval and a subsequent submission to PRDOH and HUD for final approval.

The work captured above has resulted in the following progress as of the end of the fourth quarter:

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1. 136 Projects/Programs initial SOWs¹ representing an estimated \$8.4 billion in reconstruction work that are being advanced within LUMA.
2. PREB has approved 135 Projects/Programs initial SOWs. Approval of one Initial SOW was not received during the quarter representing \$0.01 billion in reconstruction activities.
3. Upon receiving PREB approval, LUMA seeks the review and establishment of FEMA Accelerated Awards Strategy (FAAST) Project numbers from FEMA for each Project submitted by LUMA².

At the end of Q4, LUMA had sought a total of 188 FEMA FAAST Projects representing \$5.4 billion in reconstruction activities. Of these, LUMA had received 187 FEMA FAAST Project numbers³.

4. Upon receiving the FEMA FAAST number, the work enters the preliminary engineering development phase. Of the 188⁴ projects noted above, 94 projects representing ~\$2.1 billion were advanced in the quarter and are at various stages of preliminary engineering, detailed engineering, or execution. The remaining projects will be awarded to A&E firms upon the conclusion of the A&E RFP noted earlier.
5. Of the 94 projects noted above, LUMA submitted the 39 Detailed SOWs to COR3/FEMA for approval representing \$0.3 billion.
6. Of the 39 Projects noted above, LUMA has received FEMA Obligation for 14 projects representing \$0.1billion.

Table 4-1 below outlines the aggregated status of all planned federally funded projects and their respective estimated value.

1.1.1 Status of Federal Funded Projects as of June 30th, 2022

Table 4-1. Project Status Summary (\$ in billions)

Project Status	Number of Projects	Estimated Amount ⁽²⁾
Projects/Programs Pending PREB Approval	1	\$0.01
Projects submitted to FEMA and awaiting FEMA FAAST Project number	0	\$0.0

¹ Note that the Programs initial SOWs presented are being divided into multiple Projects. An example is the Streetlight Program initial SOWs presented to PREB was for the entirety of Puerto Rico; however, this Program will be divided into over 78 Projects representing each Municipality. This approach was taken to simplify the initiation of the work with PREB; and to expedite the approval and execution of the work with FEMA

² As noted above, the submissions to FEMA at this stage are by Project only. (i.e., Programs approved by PREB are subdivided into smaller Projects to ensure the expedient approval of work from FEMA

³ Note that LUMA will be seeking additional FEMA FAAST Project numbers as it further divides and defines Programs into individual Projects.

⁴ Note that three projects have been cancelled with FEMA and their scopes have been consolidated with existing projects (Caridad substation, Distribution Pole and Conductor Repair-Carolina Group 1, New Primary and Secondary Control Centers).

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Project Status	Number of Projects	Estimated Amount ⁽²⁾
Projects yet to be defined/developed from approved Programs ⁽¹⁾	n.a. ⁽¹⁾	\$3.0
Projects with FEMA FAAS Project number and in the preliminary engineering phase (i.e., pre-detailed SOW submission) – Unassigned	94	\$3.3
Projects with FEMA FAAS Project number and in the preliminary engineering phase (i.e., pre-detailed SOW submission) – Assigned	55	\$1.8
Submission of Detailed SOW to FEMA enabling Detailed Engineering and Construction <ul style="list-style-type: none"> Projects Obligated in Detailed Engineering – 4 (\$0.02) Projects Obligated in construction – 10 (\$0.05) 	39	\$0.3
Total	188	\$8.4

⁽¹⁾ A Total of 11 initial SOWs approved by PREB are deemed as Programs that will be divided into multiple Projects over time (as noted in the main text). The Programs include Streetlights, Substation Minor Repairs, Distribution Poles Replacements, Telecom Infrastructure, Microwave PTP, Physical Security, SCADA Remote Access and RTU Replacements, Fiber Optic Replacement, Transmission 38kV Pole Replacement, Transmission 115kV Pole Replacement, and Transmission 230kV Pole Replacement. Two Way Land Mobile Radio Network was previously identified as a Program but has been reclassified as a project.

⁽²⁾ Estimated amounts are based on the most recent estimated project costs, which may have changed since the initial stages of the FAAS process, and may result in a fluctuation of the estimated amounts quarter over quarter.

Table 4-2 below outlines federal funding by source and status submitted for reimbursement as of June 30, 2022.

Table 4-2. Federal Funding Status Summary (\$ in millions)

Funding Source	Federal Funds Applied for to Date	Federal Funds Applied for this Quarter	Federal Funds Approved to date
Public Assistance 428	\$6.8	\$6.3	\$0.5
Hazard Mitigation 406	-	-	-
Total	\$6.8	\$6.3	\$0.5